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# HOUSE BILL No. 1574

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-5-15; IC 6-1.3; IC 36-6-5-3.

**Synopsis:** Interim fees on property improvements. Allows a county to impose interim property fees on real property improvements as of the time the improvements are complete and before they are subject to property tax.

**Effective:** January 1, 2003 (retroactive).

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## LaPlante, Thompson

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January 16, 2003, read first time and referred to Committee on Ways and Means.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

## HOUSE BILL No. 1574

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1       SECTION 1. IC 6-1.1-5-15, AS AMENDED BY P.L.90-2002,  
2       SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3       JANUARY 1, 2003 (RETROACTIVE)]: Sec. 15. (a) Except as  
4       provided in subsection (b), before an owner of real property  
5       demolishes, structurally modifies, or improves it at a cost of more than  
6       five hundred dollars (\$500) for materials or labor, or both, the owner  
7       or the owner's agent shall file with the county assessor in the county  
8       where the property is located an assessment registration notice on a  
9       form prescribed by the department of local government finance.  
10       (b) If the owner of the real property, or the person performing the  
11       work for the owner, is required to obtain a permit from an agency or  
12       official of the state or a political subdivision for the demolition,  
13       structural modification, or improvement, the owner or the person  
14       performing the work for the owner is not required to file an assessment  
15       registration notice.  
16       (c) Each state or local government official or agency shall, before  
17       the tenth day of each month, deliver a copy of each permit described in



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subsection (b) to the assessor of the county in which the real property to be improved is ~~situated~~ located.

(d) A government official or agency that issues a certificate of occupancy or other approval to occupy a newly constructed structure shall, before the tenth day of each month that begins after December 31, 2002, deliver to the assessor of the county in which the structure is located copies of all certificates or other approvals that were issued by the official or agency during the previous month.

(e) Before the ~~last twentieth~~ day of each month, the county assessor shall distribute a copy of each assessment registration notice filed under subsection (a), ~~or each~~ permit received under subsection ~~(b)~~ (c), and each certificate or other approval received under subsection (d) to the assessor of the township in which the real property to be ~~demolished, modified, or improved~~ is ~~situated~~ located.

~~(e)~~ (f) A fee of five dollars (\$5) shall be charged by the county assessor for the filing of the assessment registration notice. All fees collected by the county assessor shall be deposited in the county property reassessment fund.

~~(f)~~ (g) A township or county assessor shall immediately notify the county treasurer if the assessor discovers property that has been improved or structurally modified at a cost of more than five hundred dollars (\$500) and the owner of the property has failed to obtain the required building permit or to file an assessment registration notice.

~~(g)~~ (h) Any person who fails to:

(1) file the registration notice required by subsection (a); or

(2) obtain a building permit described in subsection (b);

before demolishing, structurally modifying, or improving real property is subject to a civil penalty of one hundred dollars (\$100). The county treasurer shall include the penalty on the person's property tax statement and collect it in the same manner as delinquent personal property taxes under IC 6-1.1-23. However, if a person files a late registration notice, the person shall pay the fee, if any, and the penalty to the county assessor at the time the person files the late registration notice.

SECTION 2. IC 6-1.3 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]:

### ARTICLE 1.3. INTERIM PROPERTY FEES

#### Chapter 1. Definitions and Applicability

Sec. 1. The definitions set forth in IC 6-1.1-1 apply throughout this article.



1       **Sec. 2. This chapter permits the imposition of an interim**  
 2 **property fee after December 31, 2002.**

3       **Chapter 2. Imposition of Interim Property Fee**

4       **Sec. 1. A county may impose an interim property fee on real**  
 5 **property improvements.**

6       **Sec. 2. The imposition of an interim property fee by a county**  
 7 **under this chapter must be approved by the adoption of an**  
 8 **ordinance by the:**

9           **(1) legislative body; and**

10          **(2) executive;**

11 **of the county. The content of the ordinance as adopted by the**  
 12 **legislative body and as adopted by the executive must be identical.**

13       **Sec. 3. Before adopting an ordinance under section 2 of this**  
 14 **chapter, the county fiscal body and the county executive must each:**

15           **(1) conduct a public hearing on the proposed ordinance; and**

16           **(2) publish notice of the public hearing in the manner**  
 17 **prescribed by IC 5-3-1.**

18       **Chapter 3. Assessment**

19       **Sec. 1. In each township in a county in which an interim**  
 20 **property fee has been imposed under IC 6-1.3-2, the township**  
 21 **assessor shall determine assessments for improvements to real**  
 22 **property located within the township. The township assessor shall**  
 23 **determine an assessment for a particular property in a calendar**  
 24 **year under this section as of the first day of the next month**  
 25 **following:**

26           **(1) the date a certificate of occupancy is issued for the**  
 27 **property by the appropriate government official or agency;**

28           **(2) the date other approval to occupy the property is issued by**  
 29 **the appropriate government official or agency, if subdivision**

30 **(1) does not apply; or**

31           **(3) if subdivisions (1) and (2) do not apply, the date the real**  
 32 **property is determined by the township assessor to be**  
 33 **available for occupancy;**

34 **if the date referred to in subdivision (1), (2), or (3) is after March**  
 35 **1 of the calendar year and before January 1 of the following**  
 36 **calendar year.**

37       **Sec. 2. The township assessor shall determine an assessment**  
 38 **under section 1 of this chapter by determining:**

39           **(1) the real property tax assessment that would have been**  
 40 **determined for the real property improvements if the**  
 41 **improvements had been subject to assessment as completed**  
 42 **improvements ready for occupancy under IC 6-1.1 on the**

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assessment date of the calendar year for which the assessment is determined under section 1 of this chapter; minus  
(2) any partial assessment of the improvements under IC 6-1.1 for the assessment date.

**Sec. 3.** An assessment determined under section 1 of this chapter does not constitute a property tax assessment of the real property for purposes of IC 6-1.1.

**Sec. 4.** A township assessor completing an assessment under section 1 of this chapter shall do the following:

(1) Certify the following to the county assessor, county auditor, and county treasurer not more than ten (10) days after completing the assessment:

(A) The legal description of the property assessed.

(B) The amount of the assessment determined for the real property improvements.

(C) The mailing address of the property owner.

(2) Notify the property owner of the assessment within five (5) days after the completion of the assessment.

**Sec. 5.** An assessment under section 1 of this chapter is subject to appeal in the same manner that a real property tax assessment is subject to appeal under IC 6-1.1-15.

#### **Chapter 4. Determination of Interim Property Fee**

**Sec. 1.** In a county in which an interim property fee has been imposed under IC 6-1.3-2, the county auditor shall:

(1) calculate the interim property fee liability of each property owner for the calendar year of the assessment; and

(2) certify the amount of each property fee liability to the county treasurer before April 1 of the following calendar year.

**Sec. 2.** The owner's interim property fee liability under this chapter for a property for a calendar year is the result reached in the last STEP of the following STEPS:

**STEP ONE:** Determine the assessment of the improvements for the calendar year as certified under IC 6-1.3-3-4.

**STEP TWO:** Multiply the STEP ONE result by the net property tax rate (after consideration of the property tax replacement credit under IC 6-1.1-21) for the taxing district in which the property is located for property taxes due and payable in the calendar year immediately following the calendar year for which the assessment is certified under IC 6-1.3-3-4.

**STEP THREE:** Determine the percentage under the following

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table for the listed month that corresponds to the month in which the date determined under IC 6-1.3-3-1(1), IC 6-1.3-3-1(2), or IC 6-1.3-3-1(3) for the property occurs:

March	83.3%
April	75%
May	66.7%
June	58.3%
July	50%
August	41.7%
September	33.3%
October	25%
November	16.7%
December	8.3%

**STEP FOUR: Multiply the STEP TWO result by the percentage determined in STEP THREE.**

#### **Chapter 5. Payment of Interim Property Fee**

##### **Sec. 1. An interim property fee imposed under IC 6-1.3-2:**

(1) is due in two (2) equal installments on May 10 and November 10 of the calendar year immediately following the calendar year for which the assessment is determined under IC 6-1.3-3-1; and

(2) must be paid to the county treasurer.

#### **Chapter 6. County Treasurer Duties**

**Sec. 1. The county treasurer of a county in which an interim property fee has been imposed under IC 6-1.3-2 shall:**

(1) distribute interim property fee revenue under this article to the taxing units in which the property is located in the same proportion that property taxes are distributed to the taxing units;

(2) either:

(A) mail, to the last known address of each person liable for an interim property fee, a statement of the interim property fee that is due; or

(B) transmit, by written, electronic, or other means to a mortgagee maintaining an escrow account for a person who is liable for an interim property fee, a statement of the interim property fee that is due; and

(3) include the following in the statement mailed or transmitted under subdivision (2):

(A) An itemized listing for each taxing unit in which the property is located, including:

(i) the amount of the tax rate used to calculate the

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interim property fee; and

(ii) the amount of the interim property fee attributable to the unit.

(B) Information designed to inform the property owner or mortgagee clearly and accurately of the manner in which the interim property fee billed in the statement is to be used.

**Sec. 2. The form used and the method by which the statement and information, if any, are transmitted under section 1 of this chapter must be approved by the state board of accounts. The county treasurer shall mail or transmit the statement and information one (1) time each year at least fifteen (15) days before the date on which the first installment is due. The statement must contain the dates on which the first and second installments are due and denote the amount to be paid for each installment.**

**Chapter 7. Interim Property Fee Not Property Tax**

**Sec. 1. The interim property fee imposed upon a property under this article is in addition to any property taxes levied against the property under IC 6-1.1.**

SECTION 3. IC 36-6-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 3. The assessor shall perform the duties prescribed by statute, including:

- (1) assessment duties prescribed by IC 6-1.1 **and IC 6-1.3**; and
- (2) administration of the dog tax and dog fund, as prescribed by IC 15-5-9.

**SECTION 4. An emergency is declared for this act.**

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